

**DIVISION OF  
EMPLOYMENT  
AND TRAINING  
SERVICES**



**ALASKA DEPARTMENT OF LABOR  
& WORKFORCE DEVELOPMENT**



**FY 2019  
RESOURCE  
BOOK**

Available online at [labor.alaska.gov/dets/resources.htm](http://labor.alaska.gov/dets/resources.htm)



## A Note from the Director

This report provides an overview of programs administered by Division of Employment and Training Services, statistics, and other information for the period of July 1, 2018 to June 30, 2019.

The content demonstrates each division employee's commitment to carry out the functions of our mission through our established core values.

**Mission:** Provide labor exchange, employment and training services, and unemployment insurance to Alaskans and Alaska businesses to advance opportunities for employment and provide economic stability for communities in Alaska.

### Core Values:

- Integrity
- Teamwork
- Respect
- Customer service
- Communication
- Excellence
- Training
- Creativity

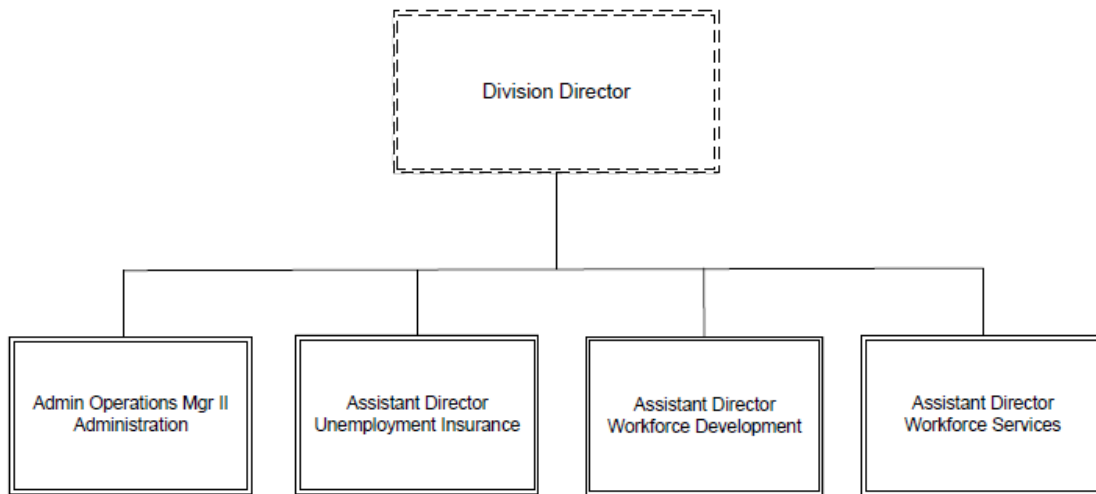
Although the summaries that follow do not tell the full story of the profound impact our division can have on the lives of Alaskans, they represent the breadth and depth of the programs and services provided by the Division through our four major components: Administration Unit, Workforce Development, Workforce Services, and Unemployment Insurance. I am confident you will see that our employees are committed to providing exceptional service to Alaskans.

Thank you for your interest.

Sincerely,  
Patsy Westcott, Director  
Division of Employment and Training Services



## Division of Employment and Training Services Program Organization





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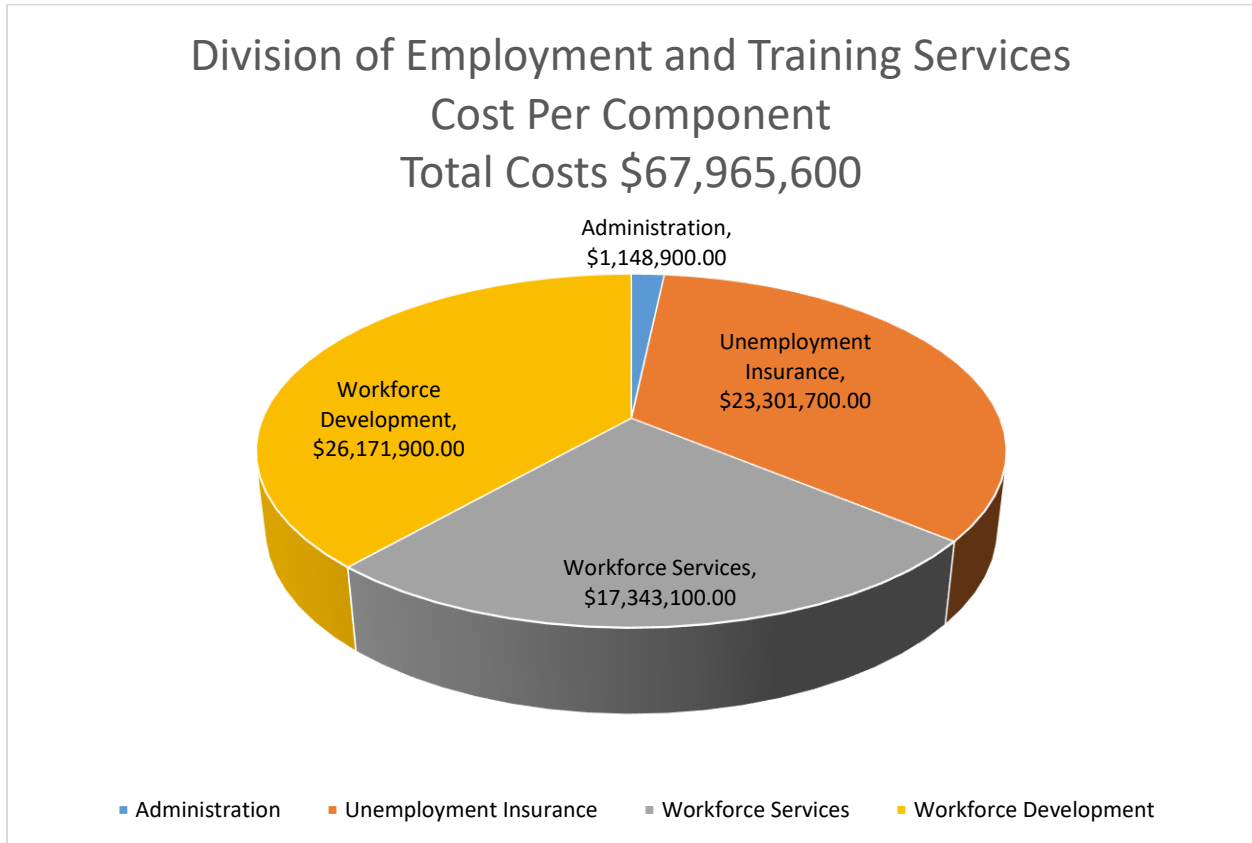
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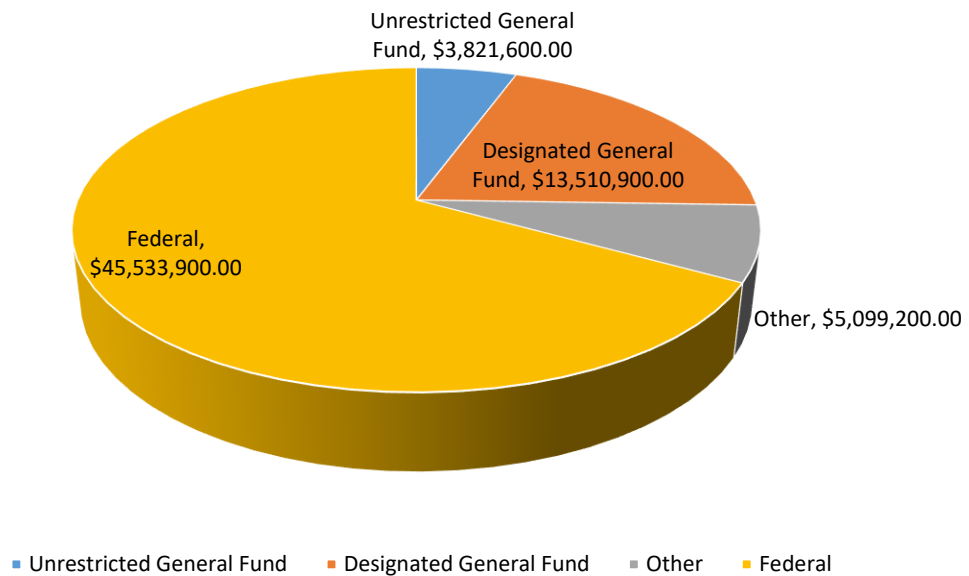
### DETS Component Costs





## FY 2019 Federal/State Funding Breakdown

### Division of Employment and Training Services SFY 2019 Budget Federal Funds vs. General and Other Funds







## Administration Unit

Jessica Bogard, Administrative Operations Manager II

### Overview

The Administration Unit is directed by an Administrative Operations Manager with a staff of seven supporting Unemployment Insurance, Workforce Development, and Workforce Services. Staff prepare the division's annual operating budget, provide financial management, develop and maintain internal controls to ensure compliance to state and federal policies, act in an oversight capacity for personnel documents, and serve as liaisons to other state agencies.

### Duties of the Administration Unit

- Fiscal related Policies and Procedures
- Budgetary development and implementation
- Expenditure payment, accounting, structures, and reporting
- Federal Compliance
- Office of Management and Budget Performance Missions and Measures
- Unemployment Insurance Trust Fund Accounting
- Records Management
- Financial Management
- Personnel Activities

## Workforce Development

Shawna Harper, Assistant Director

### Overview

The Workforce Development component administers employment and training programs delivered through the Alaska Job Centers and subrecipients of state and federal funds. Technical guidance, policy and procedure development, program monitoring and compliance oversight, are key deliverables. The component is responsible for state and federal reporting of participant demographics and program activities, associated performance, and maintains the data systems used for such reporting. Additionally, the component may seek and apply for federal and state funding opportunities designed to create a skilled and trained workforce to meet the needs of business and industry, and provide economic self-sufficiency for Alaskans.

### Programs Administered by Workforce Development

- Alaska Adult Education/(GED)
- Alaska Career Ready
- Fidelity Bonding
- Foreign Labor Certification
- Rapid Response
- Reemployment Services/Reemployment Eligibility Assessment
- Senior Community Service Employment Program
- State Monitor Advocate, Migrant Seasonal Farmworkers
- Trade Adjustment Assistance
- Veterans' Employment and Training Services
- Wagner-Peyser Act Employment Services
  - Job Seeker, Employer, Worker
- Workforce Innovation and Opportunity Act
  - Adult, Dislocated Worker, and Incumbent Worker Training Programs
  - National Health Emergency – Dislocated Worker Grant
  - Trade and Economic Transition Dislocated Worker Grant
- Work Opportunity Tax Credit





## Alaska Adult Education

Alaska's Adult Education and Literacy programs provide students with basic skills development, high school equivalency diploma attainment, English language acquisition, and workforce preparation. The goal is to identify student's educational level, provide the instruction needed, and facilitate a successful transition to postsecondary education, training, or employment.

Funding from the State of Alaska and U.S. Department of Education is received annually to support 13 Regional Education Programs; provide adult education and literacy through an integrated correctional system; and fund an Integrated English Literacy and Civics Education (IELCE) program.

During FY 2019:

- \$2,500,000 was awarded to organizations to provide Adult Education and Literacy services
- 2,308 students received instruction and 1,644 (52 percent) became full-time students
  - *full-time is defined as 12 and more hours of direct instruction*
- The average student age was 33
- 73 percent of students achieved an Educational Functioning Level gain, from pre to post-testing utilizing a standardized test (TABE, BEST), in at least one area
- 35.3 percent of full-time students received English language acquisition services
- 17 percent were residing in a correctional facility, community correctional program, or other institutional setting, a 2 percent increase from FY 2018

Additionally, the state Adult Education office provides oversight of Alaska's General Equivalency Diploma (GED) program and testing sites. Adult Education and GED have overlapping goals, however, the general principles, program guidance, and funding requirements remain separate. The GED is provided through GED Testing Service and 22 Pearson VUE test sites located around the state.

The rigor of the assessments matches the skills needed for success in the workforce or college and a student must score at least 145 on each of the four content area assessments to obtain their diploma.



Individuals who pass mathematics, science, social studies, and reasoning through language arts receive an Alternative High School Diploma.

During Fiscal Year 2019:

- Alaskan Pearson VUE testing sites served 1,440 test takers
- GED graduates were up over 4 percent from the previous year
  - 871 individuals took all four content area assessments
  - 736 GED diplomas were awarded
- Alaska possesses an 85 percent passing rate versus the national average of 79 percent for individuals who pass all four tests

In 2014, GED created College Ready and College Ready + Credit score levels to identify students scoring above the American Council on Education (ACE) Credit program recommended levels of demonstrated college-level skills and knowledge based on the GED test. With these scores, colleges or universities have the option to recognize the student's proficiency and allow them to take higher-level courses. Of all assessments taken in Alaska, 16 percent of test takers scored at the College Ready level and 4 percent scored at the College Ready + Credit level.

### **Alaska Career Ready**

With the overall goal of increasing employability of Alaskans, Alaska Career Ready (ACR) measures foundational workplace skills to evaluate work readiness, suggests occupations based on individual strengths, and determines areas needing improvement and provides referrals to the Adult Education program for assistance with skill improvement. The ACR also serves as a tool for employers, who can utilize the National Career Readiness Certificate results to ensure that applicants demonstrate needed employment skills. This service reduces recruitment costs, speeds up time to full employee productivity, shortens training time, and minimizes turnover costs.

ACR uses nationally recognized assessment and coursework including WorkKeys Curriculum, WorkKeys<sup>®</sup>, and the National Career Readiness Certificate. All of these are available to job seekers



and employers at no cost through Alaska Job Centers, Job Corps, AVTEC, Nine Star, Alaska Military Youth Academy and other sites.

In FY 2019, there were 1,538 WorkKeys Curriculum students, 3,194 WorkKeys assessments given and 863 National Career Readiness Certificates earned.

### Fidelity Bonding

The Fidelity Bonding program provides employers with no-cost, no-deductible protection against job-related theft or financial harm as an incentive to hire, retain, and promote justice-involved and other at-risk individuals, including those who are not otherwise bondable.

Of the 11 bonds issued in FY 2019, all but one covered justice-involved individuals.

<b>FY 2019</b>	<b>Bond Category</b>	<b>Employers</b>
	\$5,000	3
	\$10,000	8
	\$15,000	0
	\$20,000	0
	\$25,000	0
<b>Total</b>	<b>\$95,000</b>	<b>11</b>

In FY 2020, the division will begin implementation of a four-year federal grant awarded in FY 2019. The Fidelity Bonding Re-entry Program will allow for enhanced fidelity bonding opportunities for employers who hire individuals with criminal records, including ex-offenders recovering from opioid and other drug addictions. Opening avenues to employment for these individuals will help Alaska reduce recidivism and keep its communities safe and intact.

### Foreign Labor Certification

The Foreign Labor Certification (FLC) programs’ mission is to fill job openings for temporary agricultural or non-agricultural jobs with Alaskans first, U.S. citizens second, in order to reduce the number of visas issue to foreign workers for these jobs. In Alaska, most H-2B (temporary non-agricultural) applications are for workers in the seafood industry. Job orders are created through the on-line labor exchange system, outreach is conducted to the Alaska Job Centers, the Anchorage Seafood Office, and other organizations to recruit qualified applicants. Refers of qualified workers are made to employers and notification of applicants is sent to U.S. Department of Labor Office of Foreign Labor Certification (OFLC) in accordance with federal regulations. The OFLC determines



the number of foreign worker visas issued based on information from Alaska and the recruitment report submitted by the seafood company representative.

In FY 2019, H-2B (temporary non-agricultural) job orders numbered 57 for 5,169 seafood workers; 18 for 214 non-seafood industry workers; and 3 H-2A (temporary agricultural) job orders for 38 workers in nursery and hydroponic farming operations.

### **Rapid Response**

Alaska's Rapid Response promotes economic recovery and vitality by developing ongoing, comprehensive approaches to identify, plan for, or respond to layoffs and dislocations as well as preventing or minimizing the impact on workers, businesses, and communities.

The Rapid Response Coordinator, located in the Workforce Development component, and Rapid Response Specialists, housed in job centers, work together to create layoff aversion strategies to address layoffs and business closures. Notification of possible layoffs or business closures are received from workers filing unemployment insurance claims, contact from impacted employers and workers, media announcements, fluctuations in employer tax contributions, or WARN notices.

Ongoing engagement and relationship building with businesses in the community is essential to ensure businesses understand that rapid response services are available and to educate on the multiple ways the program can help during all stages of the business cycle. The response to each dislocation begins with a thorough assessment of the unique characteristics of the impacted workforce including the types of positions affected, worker skills, educational levels, length of service, and wage ranges. Meetings are held with the impacted individuals with information on unemployment insurance, job center locations and the wide array of available services, on-line resources, health insurance and COBRA options, veteran benefits, job fairs or specialized recruitments, and community services. Additionally, workers may be eligible to receive mental health assistance, legal aid, and financial advice.

During FY 2019, the Rapid Response team worked with over 23 affected businesses and assisted hundreds of workers.



## Reemployment Services and Eligibility Assessment

The purpose of Reemployment Services and Eligibility Assessment (RESEA) is to reduce long-term unemployment of Alaska's workforce, thereby decreasing the number of weeks claimed against the unemployment insurance (UI) Trust Fund. Claimants are selected after filing for their first bi-weekly UI benefits, they are comprised of recently separated veterans and those deemed most likely to exhaust UI benefits. The program connects participants with in-person assessments and reemployment services at Alaska Job Centers.

If claimants live in close proximity to the intensive services offered at Anchorage Midtown, Mat-Su, Fairbanks, Kenai, Juneau, and Ketchikan, they may be one of 105 claimants selected to participate in RESEA each week. Participating claimants schedule themselves at a participating job center for a 90-minute, in-person, one-on-one RESEA session and participate in at least one career service with the most common need being resume writing assistance. Participation is mandatory for continued UI eligibility.

Claimants can choose from the following reemployment activities:

- A review their job search efforts with regard to barriers to employment
- Overview of UI requirements and current labor market conditions
- An orientation to job center resources
- A review of claimants' continued UI benefit eligibility
- Development of individual reemployment plans
- Enrollment in at least one reemployment service identified as the most likely to result in rapid reemployment
- Receive a referral to support services, veterans services, and/or job training

This personalized, in-depth engagement and assessment provided to the claimant by employment specialists reflects the DETS vision of assisting job seekers in their job search efforts.

In FY 2019, 4,680 participants were selected to participate in RESEA and 3,003 of those completed the assessment.



## Senior Community Service Employment Program

The Senior Community Service Employment Program (SCSEP), known in Alaska as Mature Alaskans Seeking Skills Training (MASST), supports self-sufficiency and employment for workers age 55 and older. The program facilitates placement in part-time, paid community service positions and work-based training for unemployed, low-income individuals, who are not work-ready.

The program identifies strategies to ensure workers obtain the skills and competencies needed to obtain and maintain jobs that lead to self-sufficiency. Participants train in one of the following areas: office and administrative support, food preparation and service, retail, sales, custodial, transportation, community and social services, and healthcare.

The program provides services through the job centers and subrecipient organizations who coordinate with host agencies to develop community service employment assignments to provide participants with on-the-job training and skill development. This training and workplace skill development allows participants to pursue local employment opportunities.

In FY 2019, 203 older workers were assisted with 52.6 percent exiting into unsubsidized employment. Of those, 44.4 percent were still employed one year after exiting the program and earning an average of \$19,892.

## State Monitor Advocate

The Monitor Advocate System is a federal/state monitoring system that ensures Migrant and Seasonal Farmworkers (MSFW) have equitable access to career services, skill development, and workforce protections to improve their living and working conditions.

The State Monitor Advocate (SMA) conducts outreach to MSFWs at their working, living, and gathering places; monitors job center services provided to MSFWs; facilitates the Employment Service and Employment-Related Law Complaint System, which helps resolve labor-related complaints; and promotes the Agricultural Recruitment System for U.S. workers, which connects jobseekers who need employment to employers who need workers. Alaska agriculture includes greenhouse and nursery work, tree farming, and crops such as hay, potatoes, and barley. Cannabis farming is not covered under





the federal guidelines of this program. The MSFW definition also includes aquaculture, but it is limited to fish hatcheries, aquatic plants like kelp and seaweed, and shellfish such as oysters, mussels, clams, and scallops.

### **Trade Adjustment Assistance**

The Trade Adjustment Assistance (TAA) program provides training and employment services to workers who were laid-off or had a reduction in hours or pay due to foreign trade-related circumstances including competition from imported goods or work outsourced to a different country. The program identifies trade-affected worker groups and coordinates with stakeholders to provide qualified individuals with employment, training and support services; job search and relocation allowances; weekly income support when unemployment insurance is fully exhausted, and workers who are 50 years of age and older with a wage subsidy to help bridge the salary gap between old and new employment. In Alaska, workers eligible for TAA benefits have been associated with the petroleum, timber, and fishing industries.

### **Veterans Employment and Training Services**

Alaska is home to over 68,000 veterans who make up 12.8 percent of the state's adult population, the highest per capita veteran population in the nation. Veterans receive priority of services in all programs. In the job centers, specialized staff funded through the Jobs for Veterans Statewide Grant (JVSG) assist veterans. The JVSG utilizes federal funding to hire dedicated staff to provide individualized career and training-related services to veterans and eligible spouses with significant barriers to employment as well as assisting employers in filling their workforce needs with job-seeking veterans. The JVSG grant funds four Disabled Veterans' Outreach Program (DVOP) specialists and a Local Veterans' Employment Representative (LVER).

Job centers, located in areas with the highest veteran populations, house DVOP specialists, who provide in-depth interviewing and comprehensive assessments to identify employment goals, interim objectives, and appropriate services that will enable the veteran to meet his or her employment goals. The DVOPs conduct outreach in places such as U.S. Department of Veterans Affairs medical and veteran centers, homeless shelters, civic and service organizations, veterans' job fairs, and military installations. The DVOPs also participate in Veterans Stand Down events, which are one to three day



events providing supplies and services to homeless veterans such as food, shelter, clothing, health screenings, and Veteran Administration Social Security benefit counseling.

The LVER establishes relationships with employers and facilitates the placement of veterans in meaningful employment. This position acts as a bridge between employers and veterans to recruit, hire, promote, and retain veteran hire. In addition, the LVER coordinates with unions, apprenticeship programs, and businesses to promote and secure credentialing and licensing opportunities for veterans in addition to other employment and training programs. Finally, the LVER provides education to employers on their responsibilities such as letting federal contractors know of their need to recruit qualified veterans.

In FY 2019, approximately 22,150 services were provided to 3,103 veterans with 1,571 of those veterans receiving in-depth, one-on-one individualized support by one of Alaska's DVOPs.

### **Wagner-Peyser –Employment Services**

Collectively known as the [Alaska Job Center Network](#) (AJCN), Wagner-Peyser labor exchange services are delivered through the 14 Alaska Job Centers located across the state. The AJCN collaborates with multiple partner agencies to provide universal access and services to employers, job seekers and workers to meet their employment and training needs under one roof in easy-to-find locations.

Labor exchange services include job search assistance, job referral, job placement, re-employment services to unemployment insurance claimants, and recruitment services for employers. Delivery systems include self-service, facilitated self-help services, or staff-assisted services.

To assist the job seeker, assessments are available to determine skill levels and abilities, aptitude testing, and career guidance. Regular workshops include job seeking tips, resumé writing, cover letters, interviewing skills, employment after incarceration, and the annual free IRS-certified tax services, provided through My Free Tax Initiative. Job center staff provide referrals to partner agencies, veteran's representatives, and WIOA Title I programs for assistance with customizing individual employment plans to include training and support are routinely provided.



Employer services expand beyond the basic entry of job orders. Staff focus on and emphasize intensive outreach and regular follow-up to discern employer needs, conduct job fairs, promote hire incentives, and provide information that helps ensure compliance with state and federal laws. Other significant services include the matching of job seeker experience, skills, and other qualifications with job requirements and assisting employers with special recruitment needs.

The AJCN also houses apprenticeship specialists to provide information to employers on sponsoring an apprenticeship program. Registered Apprenticeships allow employers to establish the standards of proficiency while developing a local and loyal workforce.

The Alaska Labor Exchange System (ALEXsys) is an online, no-fee job bank that connects job seekers with employers looking for skilled workers and is available throughout the AJCN as well as being accessible on-line 24 hours per day.

AJCN highlights and key accomplishments for FY 2019 include:

- 782,357 online access of ALEXsys by 259,828 individual users;
- 144,661 job center visits by 26,795 individuals, who received 35,788 countable services;
- 82,468 job listings posted in ALEXsys; and
- 505,861 total services provided - both staff-assisted and online self-services.

### **Workforce Innovation and Opportunity Act Title I Programs**

The Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and National Emergency Grant programs are delivered through the Alaska Job Centers. Staff work one-on-one with participants to determine the appropriate range of services and support to meet the participant's goals. This entails providing comprehensive assessments, reviewing labor market information, career counseling, creating individual employment plans and if needed, making referrals to other resources outside the agency. The goal is to transition workers into high-wage, high-growth, and demand-driven jobs to ensure self-sufficiency and success.



## **Adult Program**

The WIOA Adult program improves the quality of the adult workforce, reduces welfare dependency, and enhances the productivity and competitiveness of Alaska's workforce. Staff work with individuals who are low income, in need of workforce services, training or retraining to secure unsubsidized employment. Veterans and other covered persons, individuals who experience disabilities, low-income individuals, and recipients of public assistance receive priority.

The program provides adults with workforce preparation, career services, training services, and job placement assistance needed to increase occupational skill attainment, obtain industry-recognized credentials, and secure a good job that provides earnings that lead to self-sufficiency.

In FY 2019, there were 1,760 participants in Adult programs with 1,252 of those receiving self-services. Case managers actively worked with 508 participants, 286 of which were new registrants.

## **Dislocated Worker Program**

The WIOA Dislocated Worker Program provides employment and training services to workers who have been laid off, have received a notice of layoff, cannot continue in their employment without additional training or certifications; transitioning military service members and eligible spouses; self-employed but not working due to a business closure; and displaced homemakers. The program enhances the quality, productivity, and competitiveness of Alaska's workforce while meeting the needs of Alaska's employers.

FY 2019, 468 individuals participated in the dislocated worker program. Of those, 222 were new registrants and the program experienced 168 exits during the year.

## **Incumbent Worker Training**

Designed to increase the competitiveness of businesses by ensuring employed workers acquire the skills and certifications necessary to advance, Incumbent Worker Training (IWT) averts layoffs and increases employment retention. Employers provide a portion of the cost of this training through



wages to the worker during the training period or through in-kind expenses and commit to retention of the incumbent workers.

This program provides flexibility for the types of training to be delivered, and provider with the ability to gear specific instruction to meet the employer's overall workforce needs. Employers benefit from increased productivity and profits while the businesses can grow to fit the changing demands and direction of the workplace. Employers benefit from retention of a skilled workforce with less turnover, while employees realize advancement opportunities, job competitiveness, the ability to retain their job, as well as potentially obtaining industry-recognized credentials and other transportable and transferable skills. In FY 2019, 12 workers from 5 different employers received Incumbent Worker Training.

### **Trade and Economic Transition Dislocated Worker Grant (TET DWG)**

In response to statewide economic downturn due to loss of revenue from the oil and gas industry, Alaska received \$3.35 million to focus on expansion of dislocated worker training and employment programs in three of Alaska's fastest growing industries - maritime, healthcare, and construction.

As Alaska's population of skilled workers ages out of the workforce, increased funding assists with creating a qualified, sustainable workforce necessary to serve the healthcare needs of Alaska's growing elder population, develop needed maritime industry curriculum, and focus on quality pre-apprenticeship programs in the construction trades.

The development of quality pre-apprenticeship programs is the first in Alaska, while the maritime curriculum includes novel courses not readily available elsewhere in the United States. Program development utilized extensive industry input to design industry-recognized credentials, as well as direct apprenticeship opportunities or direct employment. The grant also funds increased outreach and recruitment of dislocated workers for apprenticeships leading to employment serving as Merchant Seamen and other maritime occupations aboard deep ocean-going commercial transport vessels in Alaska and abroad.



In FY 2019, 177 individuals participated in the TET DWG program and an estimated 535 individuals will receive grant-funded services during the life of the grant.

### **National Health Emergency Dislocated Worker Grant (NHE DWG)**

Alaska received a two-year \$1.2 million demonstration grant to help combat a pervasive and escalating statewide opioid crisis. The grant has flexible eligibility criteria with an intent to serve any Alaskans affected by the crisis, as well as to assist incumbent workers to help recognize, prevent, or provide rehabilitation services for substance abuse and mental health issues that often lead to addiction. Target populations for this program also include justice-involved youth and adults, and in-school youth with a defined or perceived disability who may have an elevated risk.

The NHE DWG program funds supportive and training assistance for individuals through job centers, provides incumbent worker training for teachers, emergency room personnel and other healthcare and mental health workers, and focuses on creating awareness, early intervention strategies and resources through transition camps for at-risk youth.

In FY 2019:

- 137 youth participated in a Transition Camp
- 59 participants received direct employment and training services through job centers
- 53 incumbent workers received training to increase their skills

### **Work Opportunity Tax Credit**

The Work Opportunity Tax Credit (WOTC) program incentivizes employers to hire job seekers who experience obstacles to employment. Alaska employers receive income tax credits for hiring individuals from federally determined target groups including:

- Individuals who are a member of a family who received Temporary Assistance to Needy Families (TANF)
- Qualified veterans
- Qualified returning citizens (ex-felons)





- Designated community residents living in Empowerment Zones or Rural Renewal Counties (geographic areas characterized by high levels of poverty and economic distress which in Alaska consist of the following Census areas: Aleutians West, Wrangell-Petersburg, and Yukon-Koyukuk)
- Vocational Rehabilitation participants
- Recipients of SNAP benefits (food stamps)
- Qualified long-term unemployment recipients

Determinations of eligibility are conducted by program staff and notifications issued to employers who claim the tax credits through the Internal Revenue Service. The credit amount is calculated by analyzing first year earnings, number of hours worked, and the eligible employees' target group.

In FY 2019, 1,932 WOTC applications were processed, and 921 certifications issued, for \$4,054,200 in potential tax credits for employers.



## Workforce Services

James Harvey, Assistant Director

### Overview

The Workforce Services component consists of 14 Alaska Job Centers collectively known as the Alaska Job Center Network (AJCN). The AJCN collaborates with multiple partner agencies to provide universal access and services to employers, job seekers, and workers under one roof. Self-services are also available via the Alaska Labor Exchange System (ALEXsys), an online employment services portal consisting of a no-fee job bank connecting job seekers with Alaska employers.

Job seeker services include job search assistance, referral, and placement. Additionally, job center staff provide assessments of skill levels and abilities, aptitude testing, and career guidance. Many job centers offer regular workshops including job seeking tips, resume writing, cover letters, interviewing skills, employment after incarceration, and annual free IRS-certified tax services provided through My Free Tax Initiative. AJCN staff routinely provide referrals to partner agencies, veteran’s representatives, and WIOA Title I programs for assistance with training and support.

All job center staff are well-trained in serving employers, and the five largest job centers have dedicated Business Connection staff. Alaska’s approach to serving employers emphasizes proactive, staff-initiated outreach designed to meet the current and future employment and training needs of Alaska’s employers. Staff assist employers with special recruitment needs, ensure job applicant suitability, conduct job fairs, and provide information that helps ensure compliance with state and federal laws. This focus facilitates long-term business relationships built on confidence and results.

### Job Center Locations

#### **Anchorage Midtown**

3301 Eagle Street, Suite 220  
Anchorage, AK 99503

#### **Anchorage Muldoon**

1251 Muldoon Road  
Anchorage, AK 99504

#### **Juneau**

10002 Glacier Hwy, Suite 100  
Juneau, AK 99811-5514

#### **Ketchikan**

2030 Sea Level Drive, Suite 220  
Ketchikan, AK 99901-6073

#### **Peninsula (Kenai)**

11312 Kenai Spur Hwy, Suite 2  
Kenai, AK 99611

#### **Sitka**

304 Lake Street, Room 101  
Sitka, AK 99835-7563



**Bristol Bay (Dillingham)**

503 Wood River Road  
Dillingham, AK 99576-1149

**Kodiak**

211 Mission Rd., Suite 103  
Kodiak, AK 99615-6315

**Valdez**

213 Meals Avenue, Room 22  
Valdez, AK 99686-0590

**Fairbanks**

675 Seventh Avenue, Station D  
Fairbanks, AK 99701-4531

**Mat-Su**

877 Commercial Drive  
Wasilla, AK 99654-6937

**YK Delta (Bethel)**

460 Ridgecrest Drive, Suite 112  
Bethel, AK 99559-1607

**Homer**

3670 Lake Street, Suite 300  
Homer, AK 99603-7655

**Nome**

214 Front Street, Suite 320  
Nome, AK 99762-0280

**FY 2019 Job Center Activity**

	<b>Job Center Visits</b>	<b>Average Weekly Job Center Visits</b>	<b>Veterans Visits to the Job Center</b>	<b>Active ALEXsys Registrations</b>	<b>Job Orders</b>	<b>Job Openings</b>
Anchorage Midtown <sup>1</sup>	31,969	615	4,773	16,194	9,286	23,652
Anchorage Muldoon	20,841	401	2,572	8,509		
Bristol Bay	437	8	28	630	1,079	3,608
Fairbanks	18,000	346	2,438	10,077	3,695	6,415
Homer	6,290	121	581	2,662	950	1,111
Juneau	7,680	148	811	5,533	4,180	6,260
Ketchikan	3,179	61	230	3,040	1,115	1,573
Kodiak	7,890	152	226	2,612	867	1,827
Mat - Su	16,446	316	1,926	12,549	1,892	4,045
Nome	1,653	32	158	1,781	1,853	2,218
Peninsula	22,411	431	1,986	9,655	2,121	3,752
Sitka	1,633	31	108	1,097	634	976
Valdez	1,576	30	137	1,005	595	968
YK Delta	4,520	87	430	2,271	965	1,024
<b>Statewide Totals</b>	<b>144,525</b>	<b>2,779</b>	<b>16,404</b>	<b>77,615</b>	<b>19,946</b>	<b>57,429</b>

## Unemployment Insurance

Clifford Napier, Assistant Director

### Overview

The Alaska Unemployment Insurance (UI) program provides partial wage replacement for insured workers who are unemployed through no fault of their own and are actively seeking reemployment. UI operations are comprised of benefit eligibility determinations, payments, appeals system, employer wage reporting and tax collection, and trust fund management.

Federal funding for administration of the UI program consists of administrative funds returned to states through a system largely dependent on workload. The Administrative Grant is funded through the Federal Unemployment Tax Act (FUTA) and may only be used to administer the state's UI program. For the Federal Fiscal Year 2020, Alaska received \$21,554,525.

To pay benefits, the UI program assesses and collects employer and employee taxes. Alaska is one of three states where employees also contribute. These taxes are deposited into the UI Trust Fund. The program provides a convenient and efficient means for claimants to apply for UI benefits as a partial income replacement during periods of unemployment and protects the UI Trust Fund by preventing and recovering UI benefit overpayments.

### UI Performance Management

Federal mandates stipulate inclusion of two performance-tracking categories. The first is Core Measures, which encompasses oversight on key performance areas representative of the health of the entire UI system. These measures monitor key activities based on uniform national Acceptable Levels of Performance (ALP). The second category is Management Information, which facilitates the analysis of performance and assists in planning corrective activities when necessary. Management Information tracks state performance on subsets of core measures and ancillary activities such as interstate and federal programs.

The State Quality Service Plans (SQSP) process addresses performance deficiencies. The SQSP serves as the performance and grant document through which states receive administrative funding.



## Types of UI Benefits

**Regular UI** – State weekly benefits are paid to individuals who have worked in covered employment, earned enough wage credits to qualify, and have met weekly eligibility criteria. The weekly benefit amount is based on wages earned during four calendar quarters. Duration of benefits can range from 16-26 weeks, depending on how wages are disbursed throughout the quarters.

**Interstate Benefit Program (IBP)** – This provides a method of payment for unemployed individuals who have qualifying employment and wages, yet could be deprived of their UI benefits due to their absence from the state in which their wages were earned. Individuals who have worked in Alaska and subsequently moved outside the state, may receive Alaska UI benefits under the Interstate Agreement.

**Unemployment Compensation for Federal Civilian Employees (UCFE)** – Individuals separated from civilian employment with the federal government may qualify for UI. The federal government maintains its own trust fund, the Federal Employees Compensation Account (FECA), to fund UCFE benefits for federal employees. The state administers this program under Title 5 Chapter 85 United States Code and 20 CFR part 609.

**Unemployment Compensation for Ex-Military Personnel (UCX)** – Individuals that have served in active military duty in the last 18 months may be eligible for UI. The basis on which UI benefits are determined is on the ex-service members DD214. Like UCFE federal workers, benefits are paid from FECA, not Alaska's UI trust fund.

**Disaster Unemployment Assistance (DUA)** – If an individual is unemployed because of a disaster, they may be eligible for up to 26 weeks of disaster unemployment assistance. Once the federal government declares a major disaster and offers individual assistance, the state DUA Coordinator and Federal Emergency Management Agency personnel issue DUA information to affected individuals in the designated areas. The last occurrence was in the winter of 2018 due to a major earthquake in South Central Alaska.

**State Extended Benefits (EB)** – The EB program pays additional benefits when individuals have exhausted all their regular UI. Costs for the program are split 50/50 between the state and federal



governments. In Alaska, these additional benefits are triggered during periods of high unemployment based on the Insured Unemployment Rate (IUR) reaching 6% or higher. Once generated, the state is federally mandated to trigger on a minimum of 13 weeks of extended benefits.

Two formulas control when a state can pay EB:

- The insured unemployment rate (IUR) exceeds 120 percent of the previous three-month average for the preceding two calendar years, or if the IUR rises above 6 percent.
- The total unemployment rate (TUR) exceeds 110 percent of the previous three-month average for the preceding two calendar years and the TUR rises above 6.5 percent. Furthermore, if the TUR reaches 8 percent average for three months, the state reaches a High Unemployment Period (HUP), which changes the EB amount from 50 percent to 80 percent of regular benefits.

***High Unemployment Period (HUP)*** – HUP increases EB payments from 50% to 80% of a claimant’s regular entitlement (up to an additional seven weeks) based on the Total Unemployment Rate (TUR) reaching 8% or higher. Alaska has not paid HUP benefits since 2012.

## **UI Organizational Overview**

With offices located in Juneau, Anchorage, Fairbanks, Kenai and Wasilla, the UI program consists of eight units.

### ***Appeal Tribunal***

The tribunal provides due process hearings and issues decisions for contested UI benefit and tax cases as mandated in AS 23.20.410-470. The Appeal Tribunal conducts hearings on determinations issued by the agency based solely on the record of a fair and impartial hearing. A determination issued that affects a claimant’s right to benefits or an employer’s tax may be appealed.

The program provides a two-level system for deciding contested unemployment insurance cases with most appeals conducted telephonically. The first level offers a tribunal or “de novo” hearing in which each party presents testimony and evidence. The second level affords a commissioner review in which





a senior hearing officer examines the tribunal level record and prepares a proposed decision for the commissioner.

Federal Performance Standards require that at least 60% of lower authority appeal determinations be issued within 30 days of filing the appeal and at least 80% within 45 days. The Appeals Unit issued 1,830 lower authority decisions and 70 higher authority decisions.

***Benefit Payment Control (BPC)***

Benefit Payment Control (BPC) is a federally mandated program to protect the integrity of the UI Trust Fund by preventing, detecting, and recovering overpaid UI benefits. The program consists of two units: Fraud Investigations, and Audit and Recovery.

The Investigation Unit detects fraud of the UI program found in unreported wages and work, job termination, job refusal, inability or unavailability to work, false claims for dependent allowance, check forgeries, and identity theft. Based on findings, benefit overpayments and fraud penalties are established. Investigators may also prepare fraud cases for criminal prosecution.

<b>Detected</b>	
Non-fraud overpayments	\$1,435,866
Fraud overpayments	\$1,719,107
Fraud penalties	\$871,255
<b>Total</b>	<b>\$4,026,228</b>
<b>Recovered</b>	
Non-fraud overpayments	\$1,380,245
Fraud overpayments	\$1,453,851
Fraud Penalties	\$916,173
<b>Total</b>	<b>\$3,750,269</b>

Audit and Recovery oversees quarterly wage audit and cross-matches to identify claimants failing to report work and wages or job separations. This unit also performs collection activities, which includes garnishment of Permanent Fund Dividends.

Prevention and detection of UI fraud is part of the BPC mission. Audit and Recovery runs cross-matches on weekly UI claims against the National Directory of New Hires (NDNH) to detect newly hired workers who continue to file for UI and do not report earnings. This cross-match has proven to be extremely successful in detecting claimants that have returned to work and continue to file.



Alaska began receiving offsets from claimants’ federal income tax returns for overpaid benefits utilizing the Treasury Offset Program (TOP) in 2017. In state FY 2019, Alaska collected \$1,084,271.56 of which 30% of the claimants offset was returned to the UI Trust Fund with the remaining 70% going into the State’s general fund.

***Claim Centers***

There are UI claim centers in Anchorage, Juneau, and Fairbanks. The claim centers obtain claim and eligibility information by telephone and the internet. Callers use a self-directing number to contact a claim center or file online through myAlaska. Unemployed workers can use the internet to establish a new claim, reopen an existing claim, and file for biweekly benefits.

UI claim center staff review and gather information from the claimant and any interested parties to determine if there are any conditions or circumstances that could result in the denial of benefits as required by eligibility and disqualification provisions of Alaska law and defined policy. Once the review is complete, a written determination is issued to the claimant and if applicable, the claimants last employer.

Total UI benefits paid	\$97,866,118
Total initial claims processed	51,542
Calls received in UI claim centers	113,438
Alaskans who received UI benefits	25,086
Average weekly amount	\$256
Total number of weeks filed	408,770
Total determinations written and issued	47,298

***Data Processing Liaison (DPL)***

DPL supports systems that are critical to UI business services through analysis and testing of computer processes. DPL works directly with the DOLWD Data Processing unit and other units in the UI program to implement computer changes and updates to ensure department standards in design and functionality.

***Quality Control (QC)***

The UI Benefit Accuracy Measurement (BAM) program system is a federally required diagnostic tool to measure the accuracy of UI claims and identify opportunities for improvements in the UI program.



Each week, UI claims are randomly selected and auditors are systematically assigned cases. Investigations normally include contacting claimants and employers, examining records both within and outside the agency, and making a determination of whether benefits were properly paid or denied.

The Improper Payment Elimination and Recovery Act (IPERA) guidelines are followed to make sure states are in compliance and that improper payment rate does not exceed 10 percent. The most recent data, based on calendar year 2019, Alaska's improper payment rate was 13.02%. The following were identified as the primary reasons for improper payment of benefits:

- Work Search - Claimants not reporting or incorrectly reporting valid contacts with employers.
- Benefit year earnings - Claimants not reporting or incorrectly reporting weekly earnings.
- Separation Issues - Claimants not reporting last employer.

The UI Integrity Task Force was created to identify the main causes of overpayments and develop strategies to reduce the improper payment rate. This group meets bi-monthly and is committed to continue to reduce Alaska's improper payment rate.

### ***Support***

UI Support provides support service functions to ensure prompt and proper payment of UI benefits and works with the claim centers to pay special claims using federal and out-of-state wages. The unit also maintains UI wage records and ensures prompt and accurate reviews of wage and benefit eligibility issues, billing of participating employers, as well as billing and reimbursement of participating states.

### ***Tax***

Alaska's UI program is based on an insurance model. The program must collect sufficient premiums. UI Tax collects contributions from employers and employees to finance the unemployment insurance trust fund from which UI benefits are paid. Alaska uses a "payroll decline" method to establish individual employer UI tax rates. This system has proven effective and the trust fund has remained solvent and able to weather periods of high unemployment.



Employer and employee taxes are submitted each quarter and deposited in the Alaska account of the Federal UI Trust Fund. Taxes in the UI Trust Fund are only used to pay UI benefits. Portions of employee tax contributions are set aside to provide job related training services under the State Training and Employment Program (STEP) and Alaska Technical Vocational Education Program (TVEP). These funds are used for technical and vocational training. State law specifies the entities and allocation of these funds.

Deposited in the UI Trust Account	\$121,441,064
Employer Contributions	\$89,528,154
Employee Contributions	\$18,650,117
Transferred to TVEP	\$12,430,827
Transferred to STEP	\$7,769,265
Contribution reports processed	72,213
Employers registered in Alaska (83.9% have fewer than 10 emp.)	18,702
Employer audits	207
Amended	111
Misclassified workers discovered	161
Additional contributions collected	\$28,981
Contributions refunded	\$32,137

***Technical***

The Technical Unit provides support to the UI program in areas of federal and state compliance, legislation and regulation, planning, analysis, project management, training, service delivery, corrective action and evaluation of program improvements. The unit supports the development and implementation of claim center staff training as well as developing and updating all UI program resource materials.



## Unemployment Insurance Trust Fund FY 2019

### Income

#### UI Tax Contributions

Total UI Tax Contributions		\$108,178,272
Statutory Transfers from Employee Contributions		
Alaska Technical and Vocational Education Program	(12,430,827)	
State Training and Employment Program	(7,769,265)	
Total Statutory Transfers		<u>(20,200,092)</u>

**Net Contributions to UI Trust Fund** **\$87,978,180**

#### Reimbursements

Federal Government			
Emergency Unemployment Compensation	424,343		
Federal Government Employees	1,682,292		
Extended Benefits	145,618		
Military Employees	303,792		
Total Federal Government		<u>1,707,359</u>	
State of Alaska		2,831,402	
Local Alaska Governments		2,187,121	
Other States - Interstate Claims		1,175,573	
Non-Profit Organizations		1,888,884	
<b>Total Reimbursements</b>			<u>9,790,339</u>
<b>Other</b>			
Interest Earnings		1,027,236	
<b>Total Other</b>			<u>1,027,236</u>
<b>Total Income</b>			<u><b>\$98,795,755</b></u>

### Benefits Paid

State Regular 71,283,789



Federal Government		
Emergency Unemployment Compensation	0	
Federal Government Employees	1,821,104	
Extended Benefits (Federal Share)	17	
Military Employees	248,385	
Total Federal Government	<hr/>	2,069,472
Wage Combining Interstate Claims		17,775,362
State of Alaska Government Employees		4,326,038
Local Alaska Government Employees		765,828
Non-Profit Organization Employees		1,473,486
Extended Benefits (State Share)		172,143
<b>Total Benefits Paid</b>		<hr/> <hr/> <b>\$97,866,118</b>